



News Release

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State awards record funding level for drinking water system loans

OLYMPIA — The state Public Works Board has approved 27 public water systems throughout Washington to share in about \$72.5 million in low-interest loans this fall to improve their facilities.

This is the largest amount of money awarded in a single year by the Washington State Department of Health's Drinking Water State Revolving Fund program – about 45 percent more than was distributed during the most recent funding cycle. The state-run, federally funded program, which began in 1997, provides low-interest loans to help water systems address public health problems and compliance issues.

Among the largest of the projects is the Green River water treatment plant, which will serve the cities of Tacoma, Kent and Covington, and the Lakehaven Utility District. Collectively, they received \$12 million for the project at a 1 percent interest rate. The filtration plant will help protect public health by removing dangerous parasites such as *Cryptosporidium*, and will improve the water's clarity, smell and taste.

"This is good for people's health, saves money and creates jobs, which is precisely what we envisioned for this program," said Governor Chris Gregoire. "It makes these public health projects affordable for these communities. Equally important, it puts people to work."

"In hard economic times like this, we especially appreciate being able to direct more dollars to communities around the state," said Secretary of Health Mary Selecky. "This lets us to do more to help water systems fix problems and make sure people have safe water to drink."

The [projects](#) are in 16 counties and range from \$100,000 to \$12 million. Five projects were given conditional approval, meaning they need to take actions such as rate increases to ensure they can repay their loans. A 28th project – a \$208,881 loan request from the Camano Hills Water System – is pending a review of the system’s ability to handle the loan.

The Department of Health’s Office of Drinking Water received loan requests totaling more than \$350 million. The agency scored and ranked the loan applications, and submitted recommendations to the Public Works Board for final approval.

“These financing agreements will put construction workers back to work right away and help to position our local communities for more rapid economic recovery,” said Rogers Weed, director of the Department of Commerce. “Investments such as these are key to maintaining quality infrastructure that supports our ability to grow and retain jobs throughout the state.”

The federal government added new requirements to the loan program this year, similar to those for the 2009 American Recovery and Reinvestment Act. For example, about \$12 million was used for subsidies for water systems in disadvantaged and economically distressed communities.

In addition, the state was required to devote about 10 percent of the money to “green” projects that improve water use efficiency or energy efficiency. All borrowers must comply with federal prevailing wage requirements.

The [Department of Commerce](#) will administer the loan agreements. Contracts will be issued in the next several months. Work on the 27 projects will begin immediately thereafter.

The Office of Drinking Water is preparing for the next cycle of revolving fund loans. Officials expect to have about \$61 million available to lend next year. Applications are due March 1.

Instructions for applicants will be posted on [the Office of Drinking Water’s website](#):

(http://www.doh.wa.gov/ehp/dw/our_main_pages/dwsrf.htm).

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